



The President's Daily Brief

May 30, 1975

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FOR THE PRESIDENT ONLY

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EGYPT

Our latest judgment is that President Sadat still is determined to demand clarification of US views on an Arab-Israeli settlement when he meets with you on Sunday. He is of course worried that the recent expression of support for Israel by 76 Senators might tie the administration's hands.

Sadat has said repeatedly that he is going to Salzburg to listen rather than to offer ideas of his own. His public position is that Egypt's stand is already on record and that the US, having undertaken a reassessment of its Middle East policy, must now enunciate an unambiguous position. Sadat is specifically seeking a clear statement of whether the US commitment to Israel is confined to protecting it within its 1967 borders or also extends to the occupied Arab territories.

Sadat's public utterances have become increasingly more demanding as the Salzburg meeting has neared. In an interview with an Austrian correspondent early this week, he specifically tied, for the first time, his willingness to enter another round of disengagement talks to the demand for a definitive statement of US policy. Asked if he would consent to another effort by Secretary Kissinger to mediate an interim agreement with Israel, Sadat replied that he would, if the US first made an "unequivocal statement, openly and before the world," on the shape of a final settlement.

Egyptian officials, probably including Sadat himself, were angered and disheartened by the letter sent to you last week by the Senators urging strong support and aid for Israel. Many Egyptians, particularly legislators who recently visited the US for extensive discussions with Congressmen, interpret the letter as totally negating their efforts to expand ties with the US and to present a moderate image of Egypt.

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CANADA - SOUTH KOREA

Ottawa announced on May 28 that it had granted South Korea a loan of \$380 million to finance the sale of a Canadian-produced nuclear power reactor. The sale, however, is still contingent upon agreement between the countries on bilateral safeguards arrangements.

There is little disagreement among Canadians on the purely commercial aspects of the reactor sale. Domestic opinion, however, has been uneasy about the possibility that Canada might be contributing to the proliferation of nuclear weapons, especially since India exploded a nuclear device last year using material from a Canadian-supplied reactor. Ottawa has insisted that future prospective purchasers must ratify the Non-Proliferation Treaty and accept bilateral safeguards arrangements covering materials produced by the reactor as well as the technology provided by Canada.

Although South Korea has now ratified the Non-Proliferation Treaty, finalization of the sale still depends on agreement covering bilateral safeguards, especially on the touchy issue of restricting the transfer of Canadian nuclear technology. The tenor of Ottawa's announcement concerning the loan to South Korea may mean that the Canadians feel such an agreement is near.

FOR THE PRESIDENT ONLY

NOTES

Egyptian army, commando, air defense, and air force units have been involved this week in a field exercise some 20 miles west of the Great Bitter Lake.

The 3rd Mechanized Infantry Division evidently was pulled back some 25 miles from its positions on the Suez front to take part in the exercise. Other elements of the Third Army--the 3rd Division's parent organization--also are involved. Air defense is being provided by an SA-6 brigade, and air support by planes from at least three airfields. The desert road from Cairo to Suez has been closed since May 24, probably to provide security for Egyptian troop movements related both to the exercise and to the reopening of the Suez Canal on June 5.

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Tension in Laos has eased somewhat following the return of Americans to the AID and defense attaché compound.

Payment has been made to Lao employees of AID and the 900-man civilian guard force, which until recently had provided security for the US mission. Americans are being permitted to enter and leave the compound, but all US vehicles--even with diplomatic plates--are being stopped and searched. Lao Communists are turning their attention to negotiating future aid from the US, which they want to come unconditionally and directly to the coalition government they now dominate.

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Political activity in Portugal came to a standstill today as the population celebrated a religious holiday.

On Wednesday night, internal security troops cracked down on the extreme left-wing Reorganizing Movement of the Proletariat Party, closing party headquarters throughout the country and arresting at least 200 people. The Reorganizing Movement was officially banned by the government last month, but until now there had been no effort made to prevent party members from organizing demonstrations.

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A joint communiqué yesterday concluding discussions in Bangkok between North Vietnam and Thailand indicates that several problems must still be ironed out before diplomatic relations between the two countries can be established.

The communiqué states that the Thai delegation has accepted an invitation to resume negotiations in Hanoi, but that a date has not yet been set. At the airport before his departure, North Vietnam's chief delegate would not elaborate on the details of the talks. He indicated, however, that formal relations with Bangkok might be established sometime within the next three months. His remarks suggest that the US military presence is still the main stumbling block to normal relations with Bangkok, but his reference to a three-month time frame indicates that the problem is not insurmountable.

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Lebanon's premier-designate Rashid Karami spent yesterday talking to political leaders about the formation of his cabinet.

According to late press reports, he will see President Franjiah today to discuss his choices. The strong measures he has ordered against snipers have had some effect--Beirut yesterday had its quietest day in many weeks.

* * *

Ethiopian government forces in recent weeks have stepped up pressure against the rebels in Eritrea Province, raising the level of fighting there higher than it was in April.

Last week, government troops supported by air strikes launched a brigade-size operation north of Asmara that has resulted in heavy casualties on both sides. The sweep is designed to blunt a rebel offensive reportedly planned for June or July. Serious unrest continues in at least nine of Ethiopia's thirteen other provinces. None of this unrest--much of it led by local landlords opposed to land reform--is a direct threat to the military council, but security forces have in some instances suffered numerous casualties in fights with dissidents.

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